



Jack's BLEND

Jack Groot owns JP's Coffee & Espresso Bar, On Track Coffee Consulting and the Midwest Barista School based out of Holland, Mich. E-mail your questions to jack@ontrackcoffeeconsulting.com with "Jack's Blend" as the subject line.

Hi Jack,

We are in a quandary and want some advice. Our store has been open for just about four years now and we are still not making money. At least not enough to pay all of our bills and pay us in the way we had envisioned from the start. You know, open a store, do great coffee, have great service, a nice store, be able to run it with some employees helping us *and* make a living. Then put some money away for retirement and in 30 years sell the business and retire with a decent lifestyle. So, we have the nice store (it is very nice), we do a great job with our coffees and I run the store with a staff. We have not been able to pay back our debt yet and we are not doing near what I think we should be able to in sales in the location we are in. My husband works his [regular] job and helps out around the store doing maintenance. I work about 50 hours a week. So my question is what are the downsides to adding food to a coffee-only business and why?

Sally R.

Hi Sally,

The reason I chose to answer your question is that many coffee shops in America are in a similar situation. I refer to those who had a vision of opening a coffee shop and ended up being a restaurant.

I have heard consultants say, "You cannot have food in your coffee shop and succeed," but that is just plain wrong. There is not a one-size-fits-all model in the coffee world and I'll give you a couple of examples. There is a coffee bar in New York that has a menu consisting of about seven coffee drinks. It works great for them, but the demographics in many areas of the United States just can't support that concept. On the other hand, offering a broad food menu at my store would not be in my best interest because I am surrounded by great restaurants.

Adding a food menu can be risky and may or may not be the right decision for you. The important thing is to understand your customers' needs and do a great job at execution. If you are going to add food, here are my suggestions:

Add a short list of high-quality menu items that complement your store's reason for being. It should enhance who you are and take into account where you are located and what your research has told you customers want.

There is nothing worse than poorly planned execution. It will lead to failure. Make sure that you plan well. Get help with your recipes, equipment needs, preparation, design and layout, menu boards, storage and training. Your foodservice supplier may help you for free.

Make sure the food doesn't kill the coffee. In other words, don't let your new food focus take away from your great coffee or you may lose coffee customers. Keep your coffee and espresso training program in place and even update and improve it.

Be aware that a panini grill or other food equipment, if added to the front of the house without proper ventilation, can dominate or destroy the coffee aroma for which you have become known.

Price your menu correctly. Espresso drinks are usually in the 12- to 18-percent COGS (cost of goods sold) margin, brewed coffees typically range from 22 to 28 percent and foods you prepare should be no higher than 30 percent (you'll need to account for the additional labor for food preparation).

Remember, adding a food menu is usually a one-way street. You don't just say, "Hey we're adding a menu of salads and sandwiches," and then if it doesn't work, take it out three months later. That, to me, signals a death knell for a business.

Instead of adding a whole food menu, you may want to add a bakery to your store. It will cost less, won't take away from your coffee and it will not be a big labor addition or risk. And where a panini grill may add an undesirable smell, no one would be offended if they smelled a fresh-baked

muffin, scone, cinnamon roll or other fresh-baked item at a coffee shop. We have been baking our own goods for years. It's really very easy, adds a lot to what we offer and is a great profit center. My sister bakes twice a week for us and most everything else we bake is for the morning crowd and are freezer-to-oven items that are simple, yet fresh baked and delicious. It's really a great part of what we do.

